Disappointment for Appalachia, P. 2

Would It Have Seemed Less Subversive If They Carried Banners Against Democracy?

"One banner [in the Buddhist demonstration against the U.S. and the Huong government] paralleled a slogan of the Communist guerrillas, 'We desire democracy, freedom and peace for the Vietnamese people'."

—Another AP dispatch from Saigon implying that the Buddhists are fronts for the Reds, N.Y. Times, Jan. 23.

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The Arms Lobby and LBJ's Great Society

Ours is a muscle-bound society. The job of shaking it loose from the conditioned reflexes imposed by its huge vested interests, and giving it new directions, is terribly difficult. Looked at from within the Budget Bureau, where the pressures converge and the hard decisions are made, Mr. Johnson and the men around him must feel that they have made a start. A poverty program has been launched, education expanded, a beginning of medicare is in sight, the steep rise in military spending since the Eisenhower Administration has been stopped; the arms budget is down a little.

Poverty and War

But this shift in emphasis should not put us off our guard. The new budget shows that the main concern of the government is still war; the main beneficiary of its vast expenditures, still the military bureaucracy and its Siamese twin, the armaments industry. The budget advertises a quadrupled appropriation for the attack on poverty, but the dimensions are still minuscule. The budget enables us to see in cold money terms the prime concerns of our society, and the prime determinants of policy. At one end of the scale, more than $50 billions for the war machine, 50% of the administrative budget. At the other end of the scale, $1.3 billion for that purely metaphorical "war on poverty", 1.3% of the budget. The total budget for space, that breeder of new Houston millionaires, that additional gravy train for missile and electronic makers, will get $5.1 billion in the next fiscal year, or almost four times as much as the poverty program, though "quadrupled". $1.3 billion divided among 35 million living a substandard existence figures out to a little over $30 a year, or $2.50 additional a month, hardly enough for an extra beer a day. If only somehow fat profits could be made out of building men, as they are out of building missiles, the poverty program might be something more than a bone tossed from a well-laden table. The fast buck is still in making and inventing ways to destroy, to kill and to waste.

Many grudge even the bone, and there is already grumbling from the military-industrial complex. Its authentic voice can be heard in David Lawrence's column (Jan. 25). The President in his defense message to Congress looked forward to a levelling-off in military expenditures, so that even "if we continue to spend the same amount of dollars annually" this will become a smaller percentage of a growing national income and release more funds "for other vital needs, both public and private." But who is to judge, Lawrence asked, "whether the defense program is adequate and whether it can be measured primarily by the desire to spend more money on 'The Great Society'? Some of the top men in America's military establishment do not believe that such a rigid rule can be applied to defense expenditures. They do not wish to leave a stone unturned to obtain the most efficient armament that scientific minds can develop." That way lies a sky's-the-limit arms race.

Johnson and McNamara, in an effort to appease the military, seem to be resorting to a qualitative arms race. Looked at from the viewpoint of numbers, we have somewhat scaled down our projected strategic forces. Instead of 1200 intercontinental ballistic missiles, we are to have 1,000. This force will be supplemented by 900 long range bombers and 41 Polaris submarines, each with 16 missiles, or 656 in all. This adds up to a strategic striking force of 2,556. Just how stupendous this is may be seen if we realize that there are probably not more than a dozen prime targets in the Soviet Union; if these crucial industrial and urban areas were wiped out, its back would be broken. In terms of numbers, how-

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When We Last Saw Churchill

"The huge and garish Presidential room of the Statler was jammed. . . . Sir Winston, with that big cigar, looking more and more like the late W. C. Fields, brought the house down when he appeared, followed by Anthony Eden, who had the pleased and incredulous look of a small boy allowed to go along and watch a gifted grandpa do card tricks. Churchill was magnificent. I never expect in my lifetime to hear and see a greater man. Beyond the puckishness and the hamming, there came through with tremendous sincerity the last, desperate effort of a noble old man to stem the tide toward war. His plea for 'a good hard try' at peace and co-existence could not have been spoken in a more unfavorable context; such talk has long been regarded here as subversive. The atmosphere was vividly indicated for all time when Churchill felt it necessary to assure his audience that he was not a Communist!"

—From our Weekly, July 5, 1954, on the press conference in Washington at which Churchill, at the height of McCarthyism, pleaded unsuccessfully that the death of Stalin called for a reversal of Western policy toward Russia and China. All the obituaries recall that Churchill was the prime architect of the cold war; few, that he was also among the first to propose its end.

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Plans for Three Highways By-Pass Kentucky's Poorest Rural Counties

This Year's Appalachia Bill Even More Disappointing Than Last Year's

It is a pity that the people of Appalachia have come to expect so much of the Appalachia Development Bill. They will be disappointed. The bill as unveiled at Senate hearings last week is about as resourceful as a surgeon who assumes in advance his patient cannot be saved. Administration witnesses spoke of making Appalachia "just like the rest of the Nation" in 20 years, but the bill betrays them. If this is really a long range development program, it is the only one we know of with such short range plans. The life of the Appalachia Commission expires in just six years. The bill is so innocuous that the U.S. Chamber of Commerce and other like groups did not bother to testify against it. It even lacks the usual handouts to big business, which in Appalachia means coal, chemicals and railroads. "We couldn't come up with any solutions that were acceptable to all involved," said John Sweeney, the chief federal planner, "and therefore we had best avoid it." Evasion is the bill's one distinctive trait. (Also see box below.)

A Self-Defeating Standard

This bill is even weaker than the one the Senate passed last summer. A new section has been added which requires federal funds to be concentrated in areas where there is "the greatest potential for future growth, and where the expected return on public dollars will be greatest." Shouldn't the government be as interested in need as in profit? Isn't this just a polite way of saying that the most impoverished areas will receive the least funds? If so, the addition is superfluous for the entire administrative procedure tends to by-pass the poorest areas. The federal government is not permitted to initiate any projects. The purpose of this is to foster local self-help, but the effect is to give unfair advantage to the well-organized, administratively sophisticated urban centers which already have had some experience with government programs. By the time the more backward communities submit development plans, there will be little money left.

This isn't merely cynical speculation. Near the close of its hearings the Senate Public Works Committee heard testimony from two representatives of Jackson County, Kentucky. Jackson has the lowest median family income in the state. This means that 60% of its families earn less than $2,000 a year and 75% earn less than $3,000. About 10% of its homes are graced with hot running water. There is maybe one lawyer in the county to help with development plans. Jackson's spokesmen told the Senate committee that what Jackson and its four surrounding counties need most is a better highway. The present one, U.S. 421, is narrow and winding. It frightens off tourists and makes it hard to market the produce of the area. Highway construction is the central program in the Appalachia Bill and one would think that the Jackson region would be a priority target.

It isn't. When these Jackson men visited the state Appalachian planning office, they were told of tentative plans to build three highways all of which will neatly by-pass the poorest counties in Kentucky. There is no indication that the state will revise its plans, and Jackson is not entitled under the bill to appeal to Washington. All projects, according to another new amendment, must come through the state representative.

Appalachia's planners envision flourishing timber and tourist industries as the foundation of the region. Even if they are successful, the achievement is not an inspiring one. Timber is an uncertain business and some say demand is declining. Tourism is seasonal and low-paying. Surely this is not the best we can do. The bill is a challenge to Congressional liberals. We look to them for strengthening amendments.

Taking The Sting Out of Antitrust

"The Internal Revenue Service Ruling in TIR-615 is bad law, bad public policy, and bad public administration. It permits an antitrust offender, already convicted of a criminal antitrust violation, to deduct [from his income tax] the treble damages paid to his victims. The legal question before this Committee is whether conduct which constitutes a criminal antitrust violation is conduct that is 'ordinary and necessary . . . in carrying on any trade or business' within the meaning of the statute [governing] income tax deductions. From the standpoint of public policy, the question is whether the 'sting' of treble damages should be lessened by shifting from the shoulders of criminal antitrust offenders to the taxpayers approximately one-half of treble damage awards. From the standpoint of public administration, the question is whether the Internal Revenue Service by an administrative ruling, not subject to judicial review, should in effect amend the antitrust laws by mitigating treble damages. . . . The attitude that a violation of our antitrust laws, even a flagrant criminal price-fixing conspiracy, is no worse than a traffic ticket is the major premise of TIR-615."

—Rep. Celler (D., N.Y.), *in a statement to the Joint Comm. on Internal Revenue Taxation, Jan. 22 (abr.).*

Appalachia Gets Sewage Systems But Needs "Just Plain Water"

Sen. COOPER (R., Ky.): **. . . Is there a gap in the [Appalachia] bill in that this section would not be available for the provision of just plain water to some community? I know it would provide sewage facilities . . . but there is no provision for water. And I know that there are many communities in my state, several county seats, which do not have any water facilities, they still use wells. In many cases, it is brackish mine water and very very dangerous to the health of the people and to the children in schools even. . . . I think we should correct that.**

Mr. SWEENEY (Chairman, Federal Development Planning Committee for Appalachia): **Senator, let me explain why it is not in the bill. We are aware of this. There are also no funds for school construction. It was our judgment and the President's judgment that until Congress had resolved this question nationally, we ought not to ask for a special program in Appalachia. When those two questions are resolved and there is a national program for water supply on a grant basis and also for school construction, . . . we [will be] in a position to recommend the needs Appalachia actually has. . . . This whole bill is an extension of existing programs to meet Appalachia's needs."**

—Hearings on Appalachian Development Bill, Senate Public Works Committee, Jan. 19.

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Behind Drug Magnate Connor's Appointment as Secretary of Commerce

Big Business Under LBJ Won A Privileged Position It Lost Under JFK

The President has done the country a disservice by making John Connor Secretary of Commerce. Connor was vice-chairman of the Business Advisory Council just prior to his appointment. The Council, which is confined to the elite of the business world, enjoyed privileged access to the Commerce Department until Luther Hodges became Secretary under Kennedy. Hodges refused to "consult" with the Council unless the press and small business were represented. Since this meant an end to its monopoly as an adviser the Council deserted both the Department and the Administration. After Mr. Johnson became President, the Council began meeting in the White House. Now one of its own rules the Department from which it was ousted. It is not surprising that Mr. Hodges departed Washington before the Inauguration.

Drugs and Patents

Unfortunately, Secretary Connor is more than the symbol of a new alliance with big business. He is also the just-resigned president of Merck & Co., one of the nation's leading drug firms. The lifeblood of the drug business is patents, and Connor, as Secretary, has jurisdiction over the U.S. Patent Office. At his Senate Commerce Committee hearing, Connor declared he would leave all patent matters involving Merck to the Patent Office. This is doubly misleading. The present Patent Commissioner, Edward Brenner, was persona grata with powerful patent interests. Before President Johnson appointed him last year, Brenner worked for Standard Oil of New Jersey as a relatively obscure patent attorney. Merck is also located in New Jersey. So are a host of other drug companies, including Johnson & Johnson, Olin Mathieson, Schering, Hoffman La-Roche and Ciba. Each has a battery of patent attorneys who together with Esso's make up a large part of the New Jersey Patent Bar. The Bar lobbyed hard for Brenner, while Connor on the Business Council and soon to become co-chairman of a campaign committee for Johnson-Humphrey was in a position of great influence. Leaving Merck's patent problems with Brenner is as risky as Mr. Johnson's policy of leaving oil matters to the former vice-president of Humble Oil, who heads the Oil Office at Interior.

Connor's offer is misleading in a more serious way. The major danger in having him as Secretary is not his ties with Merck but his pro-industry bias on drug patent policy. The drug companies have been taking advantage of the government. No matter how much money it pours into developing a drug—and there is practically no new drug without some federal funds—private industry gets the right to patent it. Often this means that the firm with the patent is the only one to sell the drug, at virtually any price, for 17 years. President Kennedy a month before he died tried to end this give-away. He issued a memorandum which some officials at HEW interpret to mean that no patent should be given on any drug developed with government funds. They are now in danger of being over-ridden by the drug industry.

The industry, supported by Asst. Commerce Secretary Eaton, is pressing for a Presidential Commission to rewrite patent policy. Secretary Connor would recommend its members and might even become its chairman. It is appalling that Senators did not question him more closely on this. A clue to his attitude may be found in the drug industry's poop sheet (called "The Blue Sheet") for Dec. 23. Connor, it says, has "long suggested that the formula used by the National Cancer Institute in its chemotherapy program could serve as a model for a compromise policy." This was no compromise. The drug companies refused to take a single NCI contract until they were assured practically irrevocable patent rights. If a Presidential Commission is appointed, and it almost surely will be, Congress and not the Patent Office or the Commerce Secretary should set the ground rules.

Dept. of Humanitarianism in the Congo

"News correspondents are being kept out of Government-reoccupied territory in the northeastern Congo. The ban is apparently intended to prevent reporting of the killing of Congolese civilians by army troops and mercenaries. G. McMurtrie Godley, the U.S. Ambassador, has refused to permit correspondents to fly on the U.S. planes that carry mercenaries, ammunition and supplies for the Congolese forces. The transports provide the only available transportation to Paulis, Bunia; Lisala and other northeastern towns liberated from the rebels. Mr. Godley and other embassy officials insist that, although they would like to allow correspondents on the aircraft, the ban is enforced by Gen. Mobutu, the Congolese army commander. . . . One high ranking official said: 'There are so many things we are trying to get the Government here to do, you can hardly expect us to press them very hard on a thing like this'."

—From Leopoldville in the New York Times, Jan. 24.

Connor Hearing Disclosed That Conflict-of-Interest Law Was Weakened in 1962

An intriguing sidelight on Mr. Connor's appointment as Commerce Secretary is the revelation that the conflict of interest law for executive officers was seriously weakened by a 1962 amendment which was generally assumed to have been an improvement. This came to light in a memorandum written by the Chief Counsel for the Commerce Committee and included in the official record of that committee's investigation of Mr. Connor. The conflict of interest statute as amended has so many loopholes, wrote Counsel, that it "raises the question whether stock ownership in a corporation will ever suffice to establish" a violation of the statute (18 U.S.C. 208, 209).

The loopholes are subtle but substantial. The 1962 amendment applies only to action taken with respect to a "particular matter" and thus excludes action on equally profitable matters such as procurement and patent policy. It also fails to apply specifically to indirect financial interests and thus requires the difficult showing that a "particular matter," such as a government contract, has directly influenced the value of the stock held by the executive official. The amendment further fails to apply to action taken by a subordinate even though he may be aware of his boss' financial interests.

These omissions would allow McNamara were he today appointed Secretary of Defense, to do business with Ford Motor Company without selling his $1.5 million holdings in its stock and without violating any law. We may never rid government of corruption, but why invite it?

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The New Pied Piper Campaign for the Anti-Ballistic Missile

(*Continued from Page One*)

ever, we can claim that we are "levelling off" in our attacking forces. But to keep the military happy, the new budget unveils an improved missile for the Polaris submarines, the Poseidon, with double the warhead payload and eight times the killing power of the Polaris A-3 missile. At a cost of $2 billion we are planning to begin replacing the A-3 with the Poseidon in 1969. But if some or all of the 656 Polaris missiles are to be replaced with Poseidon, this is the equivalent of a sharp quantitative increase. One Poseidon equals two Polaris missiles in payload and eight in killing power.

Polaris Becomes A First-Strike Weapon

The Poseidon also does something else, which we hope will be explored in Congressional hearings on the budget. Up to now Polaris has been described purely as a second-strike deterrent, a city-killer which could be used only in revenge if and after the Russians struck at us. Polaris was described as putting them on notice that even if they crippled the United States, these hidden watchdogs under the seas would destroy them. But now it is said that with Poseidon, and their increased payload and accuracy, Polaris submarines could strike harder-to-hit buried missile silos and thus become a first-strike weapon. This transformation of the Polaris from deterrent defense to an instrument of potential aggression is calculated to alarm the other side, and to set off the renewed arms race our military want.

The shrewd masters of the military-industrial complex are old hands at this game. Through Senators like Symington and journalists like Joseph Alsop, they built up the bogey first of an imaginary "bomber gap" and then of an equally imaginary "missile gap" with which to heat up the arms race and push up military expenditure. The extent of their triumph in these scare-campaigns can be measured. One measure is the jump in the level of arms spending from $45 billion a year under Eisenhower to more than $50 billion a year under Kennedy. The Democrats, on taking power under Kennedy, learned that there was no missile gap, but nevertheless built up a huge missile program just as if there had been a gap. This was the election pay-off to the aviation and missile lobby.

Now the Joint Chiefs of Staff are pressing hard for an anti-missile and shelter program which could easily cost $50 billions. Johnson and McNamara have again turned them down, as Kennedy did before them. But in Alsop's column of January 13, one can read the opening strains of a new Pied Piper chorus building up for an anti-missile program next year. Should this campaign succeed, it would cut off Johnson's welfare program in the bud and subordinate all else to an intensified arms race more costly than anything we have yet seen. To the Russians, the launching of such a program, on top of our enormous first-strike power, would raise the spectre of preventive war. What little has been gained in relaxation of tension would vanish overnight. What this means is that the President cannot hope to hold the arms budget stable very long. He must educate the public to the dangers and take vigorous steps toward arms control and reduction, or sooner or later our military-industrial complex, with its vast propaganda resources, will succeed. That would end all hope of a Great Society.

If We're Looking for Gaps to Fill

"A new review by one of the nation's leading nutrition experts in Postgraduate Medicine, a medical journal, re-emphasizes the food gap between white and Negro. That food gap probably accounts for a large part of the health gap: the Negro has a higher mortality rate in nearly every disease category. What Dr. Jean Mayer, professor of nutrition at the Harvard School of Public Health, found was appalling. One survey of the rural and urban South revealed that 60% of the Negroes and 25% of the whites had 'obviously inadequate' diets. For the North, no figures are available but Dr. Mayer checked hospital records in the North, talked with dieticians and health administrators and decided that Negro slums are a maelstrom of malnutrition. The indicators: anemias, growth failures, skin ailments, accidents of pregnancy—all associated with malnutrition. The worst fed were the Negro migrant workers who followed the crops from Florida to New York. In each group the children bore the brunt of the food gap."

—Earl Ubell in N.Y. Herald-Tribune, Jan. 24 (abr.).

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